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## Remuneration and Human Resources Board Committee Charter

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### 1. Introduction

This Charter sets out the role, authority, responsibilities, composition, structure and processes of the Remuneration and Human Resources Board Committee (Remuneration and HR Committee or Committee) established by the board of directors (Board) of Credit Corp Group Limited (Company). The Company and its subsidiaries are collectively referred to as the 'Group'.

### 2. Role of the Committee

The Committee has been established to assist the Board in fulfilling its responsibilities in overseeing:

- (a) Board and executive remuneration; and
- (b) Human resources-related matters as specified in this Charter.

### 3. Membership

#### 3.1 Composition

Committee members will be appointed and removed by the Board, having regard to the following composition requirements:

- (a) the Committee will be of sufficient size, independence and technical expertise to discharge its mandate effectively;
- (b) the Committee will have at least three members;
- (c) the Committee will comprise only non-executive directors;
- (d) the majority of Committee members must be independent<sup>1</sup> directors; and
- (e) the Committee will have an independent non-executive director as Chair (appointed by the Board from time to time), who is not the Chair of the Board other than on an interim basis

#### 3.2 Ceasing to be member of the Committee

A person will cease to be a member of the Committee if:

- (a) the person gives reasonable notice in writing to the Board of the person's resignation as a member of the Committee;
- (b) the Board gives the person notice in writing that the person is to cease to be a member of the Committee; or
- (c) the person ceases to be a director of the Company, in which case the person automatically ceases to be a member of the Committee.

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<sup>1</sup> "Independent", as defined by the ASX Corporate Governance Council.

## 4. Responsibilities

### 4.1 Remuneration

The Committee's primary responsibilities in relation to remuneration include:

#### General remuneration responsibilities

- (a) Regularly review and provide recommendations to the Board (where applicable) on:
  - (i) the process for, and report to the Board on the outcomes of, remuneration reviews for:
    - (A) each non-executive director;
    - (B) the executives collectively; and
    - (C) each executive director and other senior executives of the Group;
  - (ii) compliance with relevant legal and regulatory requirements in relation to any such remuneration, incentive plans and termination benefits, including obtaining any shareholder approvals which are necessary;
  - (iii) major changes and developments in employee incentive plans and allocations under those plans;
  - (iv) the disclosure of remuneration strategies, policies and practices within the Group and, if necessary, to the Australian Securities Exchange (ASX) and other regulatory authorities;
  - (v) facilitating shareholder and other stakeholder engagement in relation to the Company's remuneration strategies, policies and practices;

#### Remuneration Policy

- (b) Regularly review and provide recommendations to the Board on:
  - (i) the Company's Board and executive remuneration framework, policy and practice (including retirement benefits and termination payments (if any)) to ensure that it:
    - (A) enables the Group to attract and retain valued employees;
    - (B) motivates executives and executive directors to pursue the long-term growth and success of the Group;
    - (C) demonstrates a clear relationship between performance and remuneration;
    - (D) has regard to prevailing market condition;
    - (E) supports the Company's strategic objectives and core values; and
    - (F) delivers outcomes consistent with the Company's risk management framework and risk appetite; and
  - (ii) the structure, design, maximum award values and, if appropriate, performance hurdles applicable to the Company's short and long-term incentive plans.

#### Remuneration of Executives and Executive Directors

- (c) Review and evaluate market practice and trends in remuneration matters.
- (d) Review and provide recommendations as required to the Board on remuneration packages of executives and executive directors, including (as appropriate):

- (i) contract terms, annual remuneration (fixed and performance-based) and the opportunity size of short and long-term incentive plans; and
  - (ii) incentive award outcomes (including whether the Board should exercise its discretion to adjust those outcomes).
- (e) Consider whether to seek shareholder approval of the executive remuneration and, if shareholder approval is not required, whether to disclose any specific remuneration terms (such as termination payments) to ASX.
- (f) Oversee the implementation of executive remuneration within the Group.

#### **Remuneration of Non-Executive Directors**

- (g) Review and recommend to the Board as required on the structure of Non-Executive Director remuneration.
- (h) Recommend to the Board as required on the advice of the Company Secretary for shareholder approval of Non-Executive Director aggregate fee cap amendments.

#### **Superannuation**

- (i) Regularly review and provide advice to the Board in relation to the Group's superannuation arrangements.

#### **Reporting**

- (j) The Committee will review and make recommendations to the Board as to the content of the Remuneration Report section of the Directors' Report within the Annual Report in accordance with the *Corporations Act 2001* (Cth).

## **4.2 Human Resources**

The Committee's primary responsibilities in relation to human resources related matters include:

#### **Performance management**

- (a) Review and provide recommendations to the Board on:
  - (i) The design of the performance appraisal system.
  - (ii) The annual performance appraisals of Executives (other than the performance appraisal of the CEO which is assessed by the Chair of the Board).
  - (iii) Employee engagement surveys and action plans.
  - (iv) The Group's recruitment, retention and termination policies.

#### **Succession planning**

- (b) Review and recommend to the Board as required on the succession plans for executives, other than the CEO.

#### **Diversity**

- (c) Review and recommend to the Board measurable objectives to achieve gender diversity (in accordance with the Diversity & Inclusion Policy) in the composition of the Board, executives and the total workforce and report to the Board at least annually on the Company's progress in achieving its objectives.
- (d) Review and make recommendations to the Board on remuneration by gender, including:
  - (i) an assessment of gender pay parity annually; and

- (ii) whether there is any gender or other inappropriate bias in remuneration for directors, executives or other employees.

## 5. Meetings

- (a) The Committee will meet with sufficient frequency to undertake its role effectively, which will be at least four times each calendar year.
- (b) Additional meetings may be convened as required. The Committee Chair will call a meeting of the Committee if requested to do so by any member of the Committee or the Chair of the Board.
- (c) The quorum for any meeting will be two Committee members.
- (d) The Committee Chair is responsible for the conduct of all Committee meetings. If the Chair of the Committee is absent from a meeting and no acting Chair has been appointed, the members present may choose one of them to act as Chair for that meeting.
- (e) Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- (f) Each member of the Committee will have one vote. The Chair will not have a casting vote. If there is a tied vote, the motion will lapse.
- (g) The Head of Human Resources (or his or her delegate):
  - (i) will act as secretary for all Committee meetings;
  - (ii) will attend all Committee meetings; and
  - (iii) is responsible for:
    - (A) in conjunction with the Chair of the Committee, preparing an agenda for each meeting;
    - (B) distributing the agenda, together with any Committee materials, to members prior to the meeting; and
    - (C) preparing draft minutes promptly after the meeting for review by the Committee Chair.
- (h) Any directors of the Board who are not Committee members are entitled to attend all Committee meetings and receive copies of Committee materials, but will not have any vote.
- (i) The Committee may also invite such other persons, including other members of management and advisers, to its meetings, as it considers necessary. Any such invitee will not have any vote.
- (j) The Chair of the Committee or, if the Chair is not available, a Committee member should attend the Annual General Meeting of the Company and be available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

## 6. Access to independent advice

The Committee in discharging its responsibilities, may obtain, at the Company's expense, independent accounting, legal, insurance, compliance, risk management or other professional advice as it determines necessary or appropriate to perform its responsibilities under this Charter.

## 7. Reporting to the Board

- (a) The Committee will keep the Board informed of its activities through the provision of the minutes and Committee papers of each meeting.
- (b) Additionally, the Committee Chair will report and as appropriate make recommendations to the Board after each Committee meeting on matters dealt with by the Committee, and will ensure that the Board is immediately made aware of any matters that a reasonable person would expect to have a material effect on the price or value of securities of the Company were that information to be generally available.
- (c) The Committee will seek relevant input from the Audit and Risk Committee in assessing conformance with the Company's risk management framework and risk appetite in reviewing and recommending to the Board variable remuneration outcomes for Executives.

## 8. Authority

- (a) The Board authorises the Committee, in fulfilling its purpose and discharging its responsibilities, to:
  - (i) conduct or authorise inquiries or investigations into any matters within its scope of responsibility;
  - (ii) have unrestricted access to and seek any information it requires from:
    - (A) management and staff; and
    - (B) other external parties,all of whom are directed to co-operate with the Committee's requests;
  - (iii) obtain independent external advice in accordance with section 6 of this Charter; and.
- (b) The Committee has no authority to act for, or on behalf of, the Board or the Company. Its primary corporate governance role is to assist the Board to discharge its responsibilities with respect to remuneration, human resources and related matters of the Company and to advise and make appropriate recommendations to the Board with respect to such remuneration and human resources related responsibilities.

## 9. Review and assessment

- (a) The Committee will undertake an annual evaluation of its performance to determine whether it is functioning effectively and in accordance with the requirements of this Charter.
- (b) The Committee will review this Charter annually to ensure that it reflects a high standard of corporate governance and meets the needs of the Group and the Committee, and will make recommendations to the Board in relation to any proposed amendments to this Charter.
- (c) This Charter may be amended by resolution of the Board.